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SUBJECT: MENON SAYS INDIAN NEGOTIATORS AWAIT ASSURANCE FROM
DG ELBARADEI

Classified By: Ambassador David Mulford for Reasons 1.4 (B and D)

¶1. (C) Summary: Foreign Secretary Shivshankar Menon told the Ambassador January 30 that the Indian government sought to arrange a call between Department of Atomic Energy (DAE) Secretary Anil Kakodkar and IAEA Director General Muhammad

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ElBaradei before sending a negotiating team back to Vienna. Menon explained that the IAEA negotiators have not fulfilled ElBaradei's past promises, and Kakodkar will seek a reaffirmation of the IAEA commitment. Menon expected the Indian negotiators to return to Vienna early in the week of February 4. Asked about the domestic political process, Menon confessed that the refusal by the UPA government to call the Left's bluff has confused him, but the continued international engagement on the nuclear front and lack of Left pronouncements recently offered a sign of forward movement. End Summary.

Kakodkar and ElBaradei Need To Talk

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¶2. (C) In a January 30 meeting with Foreign Secretary Shivshankar Menon, the Ambassador asked why the Indian government had not sent its negotiators to the IAEA for the expected safeguards talks, which would have occurred January 29-30. Menon replied that that "we are about to send them off, but we want to make sure we get the agreement done this time." He hoped to have DAE Secretary Anil Kakodkar talk with IAEA Director General Muhammad ElBaradei after ElBaradei returns from Iran. Menon explained that Kakodkar plans to tell ElBaradei that the IAEA negotiators have not reflected ElBaradei's previous promises to the Indian government. After receiving a reaffirmation from ElBaradei that the IAEA can meet India's needs, the Indian government will send the team to Vienna, probably early in the week of February 4, Menon stated. "We expect them to finish," Menon said.

Deadline is Looming

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¶3. (C) The Ambassador pointed out that even if the talks wrap up, the safeguards agreement will come too late to submit to IAEA Board of Governors March meeting, particularly if the UPA-Left committee needs to consider the safeguards agreement first. Menon dismissed the concern, and said, "we still have time."

Menon Also Perplexed by UPA Government Action and Inaction

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14. (C) The Ambassador recalled that the Indian government has made significant headway in its international nuclear dealings during the past month, but has lacked the backbone to challenge the Left. Instead, the government has clumsily said that it would not have the "moral authority" to go ahead, when in fact the U.S. and other governments have assured the UPA that an interim or minority government could see the nuclear initiative through, the Ambassador averred. Menon replied, "I don't know how to deal with this either." Exasperated, Menon said that he asks himself everyday why does the government go through the motions and discuss the nuclear issue at great length with other countries if it has no intention of seeing it through. "I don't know why political leaders have invested so much if they don't intend to stand up," he admitted. On the positive side, Menon related that he met two Communist leaders earlier in the day, and both said that the recent nuclear agreements with other countries have pleased them. Menon also noted that the Left's media silence since the announcement of the C-130J purchase by the Indian Army and the coverage of the Ambassador's press coverage could signal a new willingness by the Communists to let the government function. Menon said that he recognized that the Indian government has passed the point at which it must act.

PMO Presents Three Possible Scenarios

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15. (C) Separately, PolCouns met with a high-level official in the Prime Minister's Office (PMO) January 30. The official outlined three possible scenarios following the successful conclusion of IAEA negotiations. First, if the Indian government's strategy of "internationalizing" the deal via

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discussions with China, France and Russia has succeeded, the UPA government gains leverage vis-a-vis the Left and could put Prakash Karat on the backfoot. The Indian government may seek to persuade the Left that going to the BOG is a continuation of the step already permitted by the UPA-Left Committee. The official said that the Prime Minister had succeeded in persuading senior Communist leaders such as Jyoti Basu that it would benefit India to move forward with the deal, but he did not believe that those leaders would break openly with Karat. This scenario still depends on finding a face-saving way for the Left to back down, the official pointed out.

16. (C) Under the second scenario, if Karat refuses to permit the government to take the agreement to the IAEA Board, the government would have to acknowledge that the deal would not be achievable in the near-term. The third scenario described by the official involves the Indian government delaying submission to the IAEA Board until July, after the UPA had the opportunity to determine whether the monsoon harvest was sufficient to bring down food prices and allow the government to call elections for December. According to this scenario, the government would call the Left's bluff and make its determination based simply on electoral factors during the summer.

Comment: Stall in Vienna Threatens Forward Momentum

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17. (C) While the Indian government has facilitated positive nuclear developments with the UK, France, and China over the past month, the stalled IAEA talks threaten to dissipate the civil nuclear momentum. As with the 123 talks, Kakodkar's involvement could signal that the Indians intend to wrap up the talks and walk away with a safeguards text. But what to do with a completed text -- whether to take it to the UPA-Left Committee, submit it for the March Board of Governors meeting, or all the above -- remains an open question for the government to resolve.

